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Czechoslovakia's Trade with the West

The industrial West accounts for only one-fifth of Czechoslovakia's foreign trade -- one of the smallest shares in Eastern Europe. Czech imports from the West last year were \$1.3 billion and exports \$1.2 billion. The Czechs export mainly machinery, and semi-manufactured goods. Trade with the West in 1974 is expected to increase by about 30% over 1973 as the Czech leadership accelerates its purchase of much needed Western technology. To pay for the expected deficit Prague will most likely draw on its good credit rating in the West. By the end of 1973 Czechoslovakia's hard currency debt totalled roughly \$1.3 billion and its debt service was only about 25% of its hard currency exports -- a relatively low level by East European standards. The US share of Czech trade with the West is about 4%. Czech imports from the US grew from \$49.9 million in 1972 to \$72.1 million in 1973, mostly the result of large agricultural purchases; exports increased from \$27.9 million in 1972 to 35.1 last year. Trade with the US is not likely to register a similar increase this year because Czechoslovakia is not in the market for agricultural products on such a large scale.

High-level officials have been cautious about all forms of Western economic contacts -- particularly with the US. In



The improving political climate -- illustrated by the initialing of the claims agree-

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ment -- plus the economic need for US technology, may, over the long-term, increase the US share of Czech imports, especially of machinery and manufactured goods.

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